



House of Representatives

General Assembly

File No. 549

February Session, 2014

Substitute House Bill No. 5450

House of Representatives, April 15, 2014

The Committee on Judiciary reported through REP. FOX, G. of the 146th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ARBITRATION IN MOTOR VEHICLE ACCIDENT CASES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014, and applicable to any civil*
2 *action pending on or filed on or after said date*) In any civil action where
3 the party who brought the action is asserting a claim for bodily injury
4 arising out of a motor vehicle accident, the court, at the request of all
5 parties to the civil action, may refer the matter to an arbitrator chosen
6 by the parties or their attorneys. The arbitration shall include
7 parameters limiting the damage award that an injured party may
8 receive. The finding of the arbitrator shall be binding upon the parties
9 to the civil action exclusively for the purposes of such civil action. The
10 damage award, if any, of the arbitrator shall not be used by or against
11 any party to the arbitration in any subsequent civil action or
12 proceeding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014, and applicable to any civil action pending on or filed on or after said date</i>	New section

JUD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill allows specific cases to be referred to an arbitrator and does not result in a fiscal impact. There is no impact to the Judicial Department as the number of cases is not anticipated to be great enough to need additional resources. The court system disposes of over 400,000 cases annually.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5450*****AN ACT CONCERNING ARBITRATION IN MOTOR VEHICLE ACCIDENT CASES.*****SUMMARY:**

This bill allows a court, at the request of all parties in a civil action involving a claim of bodily injury from a motor vehicle accident, to refer the case to an arbitrator chosen by the parties or their attorneys. Under the bill, any such arbitration must include limits to the damage award that an injured party may receive.

The bill also limits the applicability of the arbitrator's findings and damage award. Under the bill, the arbitrator's (1) finding is binding only on the parties to the civil action and (2) damage award cannot be used by or against any party to the arbitration in any later civil action or proceeding.

EFFECTIVE DATE: July 1, 2014, and applicable to any civil action pending on or filed on or after that date.

BACKGROUND***Marques v. Allstate (140 Conn. App. 335 (2013))***

Background. The insured, Marques, brought an action against his insurer, Allstate, to recover underinsured motorist benefits under his automobile insurance policy following a motor vehicle accident. The Superior Court, granted the insurer's motion for summary judgment and the insured appealed.

Holding. The Appellate Court held that the insured's claim for underinsured motorist benefits was barred by the doctrine of collateral estoppel. (Collateral estoppel, or issue preclusion, prohibits the relitigation of an issue when the issue was fully or fairly litigated in a

prior action.)

The Appellate Court found that the issue of Marques' total compensatory damages, resulting from the collision, was litigated and determined in the binding arbitration hearing in his action against the other driver's insurer. The Appellate Court concluded that Marques was not entitled to recover damages under the underinsured motorist provisions of his own automobile insurance policy because:

1. the arbitrator in the prior action found that \$20,000 constituted fair, just, and reasonable compensation for the damages;
2. the other driver's insurer paid \$20,000 in compliance with the arbitrator's findings; and
3. the other driver was not an underinsured operator because the amount of the total compensatory damages, as finally determined by the arbitrator, did not exceed the limit of coverage under that driver's liability insurance policy.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 37 Nay 2 (03/28/2014)